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The Director of Central Intelligence Washington, D.C. 20505

National Intelligence Council

NIC No. 01907-86 14 April 1986

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MEMORANDUM FOR: Director of Central Intelligence

Deputy Director of Central Intelligence

FROM:

Assistant National Intelligence Officer for Europe

SUBJECT:

Proposed Discussion Item for Your Meeting with Ambassador Shakespeare on 15 April 1986

SUMMARY: Rebuilding Portugal's lost influence in Africa has become Lisbon's third foreign policy priority behind maintaining EC membership and good relations with Washington. Because their means are limited, many Portuguese leaders--including President Soares and possibly Prime Minister Cavaco Silva--favor cooperative arrangements with the US in instances when US and Portuguese interests are congruent. Lisbon, for example, shares the US interest in maximizing Western influence with the Machel government in Mozambique. The room for cooperation, however, has limits. Portugal disagrees with US moves in Angola due to Lisbon's economic interests there and to domestic disputes over how to deal with Luanda. It also has a separate agenda in South Africa due to concern for a large Portuguese resident community there and a desire to play the mediator with black Africa. END SUMMARY

Opportunities for US-Portuguese Cooperation

- 1. Portugal has military cooperation agreements with all its former colonies except Angola and offers them non-lethal equipment. It also provides training--but only in Portugal. Due to limited resources, however, equipment deliveries are infrequent and inadequate to the need.
 - Portuguese leaders are open to cooperative arrangements with the US on military aid and training for countries like Guinea Bissau and Mozambique where we share an interest in increasing Western influence with the governments in power.
- 2. Portugal's desires for economic influence in Africa cannot be met due to its own weak economy. So Lisbon is seeking aid arrangements which would provide US or other financing for development projects using

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CL BY SIGNER DECL OADR DERV MULTIPLE Portuguese area expertise and skilled manpower. Such agreements are already at work in Mozambique, Guinea Bissau and Sao Tome.

-- In our view the Portuguese would be eager to consider similar new projects to boost Lisbon's influence.

The Constraints

- 3. Lisbon still has trouble in countering residual bitterness in some former colonies.
 - -- Angola and Mozambique believe that President Soares showed favor to anti-government rebels in 1983-1985.

	These strains are likely to continue. Despite Cavaco Silva's efforts to reduce their freedom to operate, rebel groups still use Portugal for propaganda and other subversive activites which anger Luanda and Maputo.	

- 5. Portugal similarly has somewhat different priorities in South Africa.
 - -- It agreed to recent EC decisions to withdraw military attaches but concern for the large Portuguese minority there and a desire to mantain credibility as a potential mediator would make it wary of highly visible cooperation with the US.
- 6. This memorandum was prepared with substantial input and assistance from the Office of European Analysis.

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